

- SUBJECT:** Sale of tax-foreclosed property to religious organizations
- COMMITTEE:** Ways and Means — favorable, without amendment
- VOTE:** 7 ayes — Oliveira, Bonnen, Y. Davis, Hilbert, Keffer, Ramsay, Sadler
0 nays
4 absent — McCall, Craddick, Heflin, T. King
- WITNESSES:** None
- BACKGROUND:** Under current law, municipalities may sell tax-foreclosed properties to tax-exempt charitable organizations for less than the tax warrant amount or the market value of the property if a sufficient bid is not received. Municipalities also may sell these properties before a public sale to nonprofit organizations that develop and rebuild affordable housing for low-income families.
- DIGEST:** HB 1604 would allow an officer selling property pursuant to the foreclosure of a tax lien to bid the property to a religious organization for less than the tax warrant amount or the market value of the property if no sufficient bid was received. The bill would authorize the governing body of a taxing unit to waive penalties and interest on delinquent taxes owed on property acquired by a tax-exempt religious organization within one year of the date when the organization acquired the property.
- The bill would authorize a municipality to sell tax-foreclosed property to a religious organization without a public sale if the organization owned other property in the municipality that was tax-exempt and had a written agreement with the municipality concerning revitalization of the property.
- HB 1604 also would allow an organization to file for a tax exemption based on religious-organization status up to six years after the year when the taxes for which the organization sought the exemption were imposed. It would do this by repealing Tax Code, sec. 11.433(e), under which an organization may not file a late application for a religious exemption after December 31, 1997.
- The bill would take effect September 1, 1999.

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SUPPORTERS
SAY:

HB 1604 would give local governments more options to help revitalize neighborhoods. The bill would permit but not require municipalities to sell foreclosed property to religious organizations in the same manner as they can sell such property to charitable organizations that provide housing to low-income families. The bill would decrease costs to religious organizations that perform charitable work for the poor and disadvantaged by allowing those organizations to obtain property at below-market costs and by relaxing provisions for delinquent tax collection.

OPPONENTS
SAY:

No apparent opposition.